

M E M O R A N D U M

TO: MSHDA County Allocation Grantees

FROM: Carolyn Cunningham, Director of Field Services,
Community Development Division (CDD)

DATE: May 4, 2012

RE: Updated 2012 Targeted County Allocation Program Funding and Grant
Term Guidelines

In September 2011, MSHDA's Community Development Division (CDD) issued a memorandum to all County Allocation grantees announcing a significant change to the long-standing program that has provided rehabilitation support to homeowners in non-entitlement areas across the state. The purpose of this memo is to provide an update on the targeting process for County Allocation funds as well as provide some clarification on grant implementation.

To date, more than a dozen counties, through the reapplication process, have participated in the placemaking strategy of targeting 50% of their CDBG allocation. It is apparent to CDD that the importance of targeting, defining "place" locally, and making responsible funding decisions with shrinking funds are issues we all understand. While there is still ground to cover on the topic of Placemaking and targeting, CDD is committed to partnering with counties through this process for the best possible outcomes.

The following process is in place for all County Allocation grantees funded after January 1, 2012.

Typical Process in County Allocation:

- Counties with expenditure rates at or beyond 75% to date are eligible to reapply for CDBG County Allocation grant funding.
- County Allocation grants have 30- month grant terms; the last six months to be used to complete projects set-up within the first 24 months and to draw down the balance of grant funds.

- County Allocation grants are used to provide homeowner rehabilitation and emergency rehabilitation assistance to income-eligible homeowners. Other uses of these funds require prior approval from MSHDA.
- Program Income may be used for eligible housing projects county-wide, as outlined in individual county Program Guidelines.

Changes/Updates to County Allocation:

- All County Allocation grants will be issued with the following Special Condition:
“To receive the remaining 50% of the grant award, grantee must engage in community planning to help create a Place-based Targeting Strategy that will forward the goal of Placemaking, resulting in a plan approved by MSHDA’s Community Development Division.”
- To help create a Place-based Targeting Strategy, counties will utilize, at no cost to themselves, the services of MSHDA Technical Assistance provider Kuntzsch Business Services, Inc. (KBS). KBS is a Michigan-based company that has assisted governments, businesses, non-profits and universities secure and target over \$40 million in funding from a variety of sources. KBS is an active participant and regular partner with MSHDA in developing Placemaking initiatives.
- Once a grant is awarded, the Community Development Specialist will work with the grantee and KBS to begin the process for targeting 50% of the funds. The process includes:
 - Introductory phone call
 - On-site meeting with county staff/partners and third-party administrator (if applicable)
 - Research and data compilation by KBS
 - Final creation of a Place-Based Targeting Strategy prepared by KBS with direct input from the grantee
- Grantees will have six (6) months from the introductory phone call to complete the Special Condition.
 - If after six (6) months the Special Condition remains incomplete, MSHDA will not award the additional 50% of funds.
 - The grantee may spend the initial 50% of the funding anywhere in the county.
 - The county may not reapply for future funding until the 25th month of the 30-month grant term.
- Emergency Repair funds are to be included in the amount reserved for targeting.
 - Fifty percent (50%) of all Emergency Repairs completed with grant funds will be on projects that are located in the approved target area.

CDD remains committed to the excellent work Michigan counties have been doing for many years assisting qualified homeowners preserve their homes and the fabric of their neighborhoods. We encourage openness to thinking through targeting as a means to increase the economic impact that will ultimately affect the entire county.

If you have any questions regarding this correspondence or want to provide input on the changes in the CDBG County Allocation program, please contact your Community Development Specialist.